

schools would be built with local taxes from local areas, and then when the local schools were not able to do that, it became a state issue, and in fact the state was working on that.

Of course, now we have the problem that the state and local municipalities are not able to build the schools fast enough in California, and, yes, it has become a Federal issue.

In fact, the President's proposal that we have before us that he brought to us in January, I am very well aware of, because I have sat with him and discussed the bill that I introduced in this House, H.R. 2695, and many of those initiatives are in his proposal.

Now, many of my colleagues on the other side have said tonight, what? We are not in the school construction business. Well, let me tell you, in particular to the gentleman from California (Mr. RIGGS), who spoke earlier about national security and our defense, it is of utmost national security that our children be educated.

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Because of that, the Federal Government must become involved when there is a gap and when we need to fix a problem.

Secondly, we are in the school construction business. In fact, last year, in the Tax Relief Act that was signed in August by President Clinton we had the CZAB bonds, the academy bonds that we now use to renovate schools. So we are in the school construction business.

Secondly, I have heard some of my colleagues say this is a local issue, LORETTA. This should not be done. I am reading here in Congress Daily from yesterday, "House Majority Leader ARMEY says, prohibit the President's school construction initiative, because we want the decision to be made at the local level."

The President's initiative does make that a local level issue. Why? Because the local school district needs to stand up and say, we need to build a school; because local taxpayers need to stand up and say, yes, we will tax ourselves in order to build a new school. What happens with this initiative is that we help them to stand up and take responsibility.

Third, people say that this is an administrative nightmare. Let me tell the Members, it is not an administrative nightmare. In fact, I had five superintendents come in from California just about a month ago, talking to me, of course, about school construction, because they know I understand that language. In fact, they came in and they talked about all the initiatives and all the projects that they are getting done under the CZAB bonds.

Let me tell the Members, one said, LORETTA, CZAB is already there. It is on the tax forms. We give the tax incentive there on the form. Secondly, they said, the approval has been so simple. As long as we meet the requirements, we send in one piece of paper to

the Board of Education and we send one piece of paper to the Education Department out here, and we get it approved. They have been working on it.

Fourth, someone said earlier that only the President's friends will get these bonds. That is not true. Of the seven initiatives that are already bond issues going on with the CZAB program in California, let me tell the Members, San Diego Unified School District, building John Adams Elementary School, reconstructing it, that is in the district of the gentleman from California (Mr. BILBRAY). He is a Republican. Glendale Unified School District, Hoover High School. That is in the District of the gentleman from California (Mr. ROGAN). Clovis Unified School District, the district of the gentleman from Fresno, California (Mr. RADANOVICH).

This is for those places where we need to build more schools. I hope the people will really take a look at the President's initiative.

CALLING FOR FULL FUNDING OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

The SPEAKER pro tempore (Mr. HILL). Under a previous order of the House, the gentleman from New Hampshire (Mr. BASS) is recognized for 5 minutes.

Mr. BASS. Mr. Speaker, it is my understanding that the budget negotiators have come to an agreement over the overall funding levels for education, education programs, but they have not yet resolved how that money will be allocated.

I rise here tonight in the 5 minutes allocated to me to urge negotiators, both Republicans and Democrats, to use this as an opportunity to put money into special education, to fully fund or to move toward fully funding the Individuals with Disabilities Education Act.

As the previous speaker mentioned a couple of minutes ago, this is a Federal mandate that was established in the early seventies. Originally and today, we are required to fund up to 40 percent of the costs of special education.

When I entered this body in 1995, the level of funding was 6 percent, and now it is a little less than 12 percent. This is a tragedy. It is a tragedy because it hits every single school district and school in the United States. It is a tragedy because it hurts families that have children with disabilities and have to live in communities where the cost of this education, which is perfectly legitimate and necessary, is borne for the most part by friends and neighbors.

Mr. Speaker, the folks who are negotiating tonight need to look seriously at allocating every single one of these dollars to fully fund our obligation to fund special education. Doing so would go a long way toward easing the financial burden that we feel in every community across the country.

Fully funding or using these extra dollars to fund special education would

spread the education dollars more equitably across this country. It would give the local school districts and school administrators and parents the right to prioritize spending, not have the folks here in Washington decide who gets these extra Federal dollars.

I represent a rural district, and I hasten to say that it is quite likely under the President's plan that my district will receive little or nothing. But if we were to fulfill this unfunded Federal mandate, every town in my district would get an extra dollar or two to help defray the cost of education.

Mr. Speaker, this is a compromise that can be supported by Republicans and Democrats, by liberals and conservatives, by anybody that has a commitment to fulfilling an obligation that this Congress made over 25 years ago.

Indeed, the true winners in this battle for more education funding will not only be the teachers, will not only be those who believe that we should have better classrooms and more modern schools, but it will also be school administrators, school boards, parents, property taxpayers, and most importantly, the children of this country.

I urge the negotiators in this budget deal that is going to be coming before us tomorrow to look at the issue of special education before we establish new Federal programs, before we establish new Federal bureaucracies, before we decide in Washington what the educational spending priorities should be in school districts around the country.

Let us meet the unfunded obligation of special education. Let us start tomorrow by putting these extra funds into IDEA.

PUT THE DOLLARS IN THE CLASSROOM, NOT BLOCK GRANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, as the previous speaker indicated, I, too, am advised that the budget negotiators have come to an agreement as to the overall additional funds that are to go into education. I commend them for the initiative that they have expressed in allocating these additional dollars.

I rise here tonight because I am somewhat concerned that in agreeing to the overall dollar allocations to education, and seemingly in agreeing to the 100,000 new teachers that will be placed into our school systems across the country, that in fact what they are talking about is putting these monies into what is known as title VI.

Title VI is a block grant provision that exists in current law, so if we put this extra money presumably for 100,000 new teachers into a block grant provision, there is absolutely no assurance whatsoever that the monies will be utilized for the hiring of additional teachers.

The primary objective that the President and those of us who served on the Committee on Education and the Workforce and who have headed up the task force for the Democrats on this side, the gentleman from North Carolina (Mr. ETHERIDGE), who will be speaking very shortly, the gentleman from Indiana (Mr. ROEMER), the three of us have served as task force co-chairs. We were primarily concerned about the needs of our school districts. We want to make sure that the funds that are allocated go directly to the schools.

The irony is that we have had legislation come before this body called Dollars to the Classroom, because there is an intended assumption by the Republican majority that monies ought to go directly to the classroom.

If that is their policy and their thinking, why do they not earmark the monies that are being allocated for the 100,000 new teachers directly for that purpose? Instead, they are putting it into Title VI, which has, by inference and by some specific language, a flow-through to the States, where the States are permitted to retain 15 percent of the funding for administrative purposes. And there is a long list of ways in which the monies that flow into Title VI can be spent, not one of them specifically having to do with hiring teachers and lowering classroom size.

If one is not convinced that the public schools in our country are in need of additional schoolteachers and construction funds to replenish and rebuild their schools, I suggest that the Members look through the mail that they have been receiving this week.

There is one particular one, in a whole batch of things on education, from the American Association of University Women. They point out an alarming statistic which I think has probably floated around many times before, but has not quite been absorbed.

What they say in the second paragraph of their letter is that by the year 2006, enrollment in our public schools is expected to reach 54.6 million, surpassing the number of students in the baby boom years, where the number reached 51.7 million.

We have all talked about this terrible thing about the baby boom crisis and how that is going to impinge upon social security, and we are working to try to meet the crisis that this very large population that came on board in the fifties makes. No one is paying attention to the fact that we have right now in our system an impending burgeoning number of students.

So if we do not meet this challenge right now by providing the incentive for school construction and the hiring of teachers, we are never going to solve the problem of a classroom ratio that can meet the needs of independent special treatment for the students who need that kind of instruction.

The whole fallacy that has been presented by the majority in debating Dol-

lars to the Classroom has to be pointed out. They talk about directing 95 percent of the funding to the classroom. Yet, in the proposals that are floating around for the utilization of the additional monies in education, they are putting it into a block grant provision, Title VI, which has a 15 percent reservation to the States. So the classrooms across the country, if they get any for teachers, will be only at 85 percent, way below what the majority has been talking about.

So it seems to me we ought to get beyond the rhetoric, follow the policy, put the dollars in the classroom, and enhance the teachers by giving their school districts the additional monies for the 100,000 teachers.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PAXON) is recognized for 5 minutes.

(Mr. PAXON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. BARTON of Texas. Mr. Speaker, I ask unanimous consent to take the special order time of the gentleman from New York (Mr. PAXON).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PORTALS INVESTIGATION AND POSSIBLE REFERRALS TO JUSTICE DEPARTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BARTON) is recognized for 5 minutes.

Mr. BARTON of Texas. Mr. Speaker, the Subcommittee on Oversight and Investigations of the Committee on Commerce has held 7 hearings since August this year into the circumstances surrounding the planned relocation of the Federal Communications Commission to the Portals, a privately owned and financed office complex in Southwest Washington, D.C. in which Mr. Franklin L. Haney is a partner.

In particular, hearings have focused on the questionable fee arrangements Mr. Franklin L. Haney had with several top Washington lawyers/lobbyists, including Peter Knight, a former top Senate aide to Vice President Gore and manager of the Clinton-Gore reelection campaign; James Sasser, a former U.S. Senator from Tennessee, the current United States Ambassador to China; and Mr. John Wagster, a former subcommittee staff director for then Senator Sasser.

At this time the Subcommittee on Oversight and Investigations does not plan to hold any further hearings, but I do believe that the evidence developed to date warrants specific referrals

to the Department of Justice for investigation as to whether Mr. Franklin L. Haney, Mr. Peter Knight, Mr. James Sasser, and Mr. John Wagster might have committed one or more illegalities in connection with the Portals matter, the committee's investigation thereof, and other related matters, such as the extension of the Franklin L. Haney lease with the Tennessee Valley Authority.

The Department of Justice campaign finance task force currently is investigating some aspects of the Portals matter, but it is unclear whether the Department is focusing on some of the legal questions that our investigation has raised.

In addition, there is substantial reason to believe that in attempting to conceal the true nature of their fee arrangement, some of the individuals that I have mentioned may have lied under oath or otherwise made false or deceptive statements to the Subcommittee on Oversight and Investigations of the Committee on Commerce, which in and of themselves constitute crimes worthy of referral for further investigation.

In consultation with the full committee chairman, the gentleman from Virginia (Mr. TOM BLILEY) of the Committee on Commerce, I have directed majority committee counsel to prepare expeditiously a report setting forth findings on this matter, and the grounds for specific referrals to the Justice Department, which will be shared with all members of the subcommittee in order to solicit their views.

However, based on a preliminary assessment of the evidence gathered so far and the potentially applicable laws that may have been violated, I believe the subcommittee's investigation has raised the following legal questions: Whether Mr. Franklin L. Haney may have violated 41 U.S. code section 254(a) by retaining Mr. Peter Knight, Mr. James Sasser, and Mr. John Wagster on a contingency fee basis with respect to the Portals and or TVA leases; number 2, whether in violation of the False Statements Act, 18 USC 1001, and the False Claims Act, 31 U.S. Code, Section 3729, Mr. Franklin L. Haney may have caused a false certification of claim to be filed with the government asserting that he had not hired or retained anyone on a contingency fee basis with respect to the Portals and the TVA leases.

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Whether, in violation of the Federal Conspiracy Statute, (18 U.S. Code, Section 371) Mr. Peter Knight, Mr. James Sasser or Mr. John Wagster may have conspired with Mr. Franklin L. Haney in the making of these false certifications, or in an effort to defraud the United States Government by impairing, obstructing, or defeating the lawful function of a department or government agency.